

STAND. COM. REP. NO.

982

Honolulu, Hawaii

MAR 24 2011

RE: H.B. No. 575
H.D. 1
S.D. 1

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2011
State of Hawaii

Sir:

Your Committee on Judiciary and Labor, to which was referred H.B. No. 575, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO SALARIES,"

begs leave to report as follows:

The purpose and intent of this measure is to extend the salary increase moratorium and cuts for legislators, justices, judges, and certain Executive Branch positions that were established by Act 85, Session Laws of Hawaii 2009.

Your Committee received comments on this measure from the Judiciary and the Department of Human Resources Development.

Your Committee finds that in 2009, amid a growing economic crisis, the Legislature elected to exercise its authority under article XVI, section 3.5 of the Hawaii State Constitution to reduce the salaries of salaried officers of the State by instituting a five percent salary cut and establishing a moratorium on the automatic salary increases recommended by the Commission on Salaries. By Act 85, Session Laws of Hawaii 2009, those salaried positions, which includes legislators, justices, judges, and certain Executive Branch positions, were frozen at the salary levels applicable as of June 30, 2009, with an additional five percent reduction. The moratorium and salary cuts under that Act are scheduled to sunset on June 30, 2011. At the time the Act was passed, the Legislature believed that the economy would rebound. Unfortunately, that does not appear to be the case.

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Your Committee finds that this measure is intended to extend the moratorium and salary cuts, keeping the salaries of legislators, justices, judges, and certain Executive Branch positions, at the reduced 2009 level.

Your Committee notes that, pursuant to article XVI, section 3.5, of the Hawaii State Constitution, the Commission on Salaries is scheduled to meet and make recommendations in 2012 for salary increases that will be reviewed by the Legislature during the 2013 Regular Session. Any changes to the Judiciary and Executive salaries will be effective on July 1, 2013, and any changes to the legislator salaries will be effective on January 1, 2015.

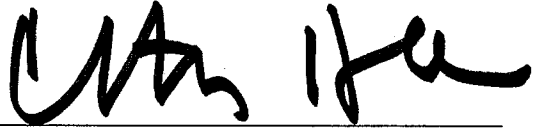
Your Committee has amended this measure by:

- (1) Deleting the provision regarding Judiciary and Executive Branch salaries that would have increased these salaries on July 1, 2012, because this increase would occur during the period in which the moratorium and salary cuts will be in effect, as recommended by the Department of Human Resources Development;
- (2) Amending the provision regarding legislator salaries that would have increased these salaries on January 1, 2012, to address a similar conflict as described in paragraph (1) and to provide for the time period before the Commission on Salaries' recommendations commence in 2015; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 575, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 575, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.



Respectfully submitted on
behalf of the members of the
Committee on Judiciary and
Labor,



CLAYTON HEE, Chair



The Senate
Twenty-Sixth Legislature
State of Hawai'i

Record of Votes
Committee on Judiciary and Labor
JDL

| | | | | |
|--|--|-------------------------|----------|----------|
| Bill / Resolution No.:* HB575.HDI | Committee Referral: JDL, WAM | Date: 3/22/11 | | |
| <input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____ | | | | |
| The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313 | | | | |
| Members | Aye | Aye (WR) | Nay | Excused |
| HEE, Clayton (C) | ✓ | | | |
| SHIMABUKURO, Maile (VC) | ✓ | | | |
| GABBARD, Mike | ✓ | | | |
| IHARA, Jr., Les | ✓ | | | |
| SLOM, Sam | ✓ | | | |
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| TOTAL | 5 | 0 | 0 | 0 |
| Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted | | | | |
| Chair's or Designee's Signature: | | | | |
| Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy | | | | |

*Only one measure per Record of Votes